GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3394
ANSWERED ON:04.08.2017
Restructuring of Loans of Corporate and Farmers
Hemamalini Smt. ;Mahtab Shri Bhartruhari

Will the Minister of FINANCE be pleased to state:

a) whether the Government has restructured loans of corporate and farmers to deal with the genuine and willful defaulters separately, if so, the details thereof along with the number of corporate and farmers that have availed the benefits and the amount restructured during each of the last three years and the current year, State/UT and Bank-wise;
b) whether the Government has ascertained the impact of such restructuring of loan on the Non-Performing Assets (NPAs) of the bank, if so, the details thereof and if not, the reasons therefor along with the likely benefits of such restructuring to the banks;
c) whether the Government has received complaints of corruption/irregularities in such restructuring of loans in the country during the said period, if so, the details thereof, Bank-wise and the reasons therefor along with the action taken on such complaints so far; and
d) the other steps taken/being taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(a) to (b): Bank-wise restructured loans of Industry and Agriculture and Allied Activities during the last three financial years is annexed. State-wise data is not centrally maintained.

Prior to April 1, 2015, asset classification benefit was available to borrowers who underwent restructuring in accordance with RBI guidelines on Income Recognition and Asset Classification (IRAC) norms. Since April 01, 2015, non-performing assets, upon restructuring would continue to have the same asset classification as prior to restructuring.

(c) Whenever any irregularities are found or observed on the part of Bank's officials, the Banks initiate action as per their extant rules and commensurate punishment is awarded to delinquent employees based on the seriousness of wrongdoings as per Bank's disciplinary rules.

(d) Banks have been provided tools like Corporate Debt Restructuring, formation of JLFs, Flexible structuring for long term project loans (5/25 scheme), Strategic Debt Restructuring (SDR) and Sustainable Structuring of Stressed Assets (S4A) for faster resolution of Stressed Assets.

Sector specific measures for sectors like Roads (one time fund infusion by NHAI intervention in the stalled project), Power sector (UDAY scheme) Steel sector (notification of Minimum Import Price) have also been taken to give a boost to the sector so that stress be reduced.

An Ordinance {Banking Regulation (Amendment) Ordinance, 2017} has been promulgated on 4th May 2017 authorising RBI to issue directions to any banking company to initiate insolvency resolution process in respect of a default, under the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC)
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